

LNF & IHCIF Calculations Illustration

- MALISEET (Houlton Band) in Nashville area -

Given Data

- 369 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 90% = % Expenditures on purchased services, 10% = % expenditures in-house
- 93.6% = Cost index for purchasing health care in this geographic area
- 135.7% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$2,510 per person for purchased services = $90\% * 93.6\% * \$2,980$
- \$404 per person for in-house services = $10\% * 135.7\% * \$2,980$
- \$2,914 per person total = $\$2,510$ (purchase) + $\$404$ (in-house)
- **\$2,795 per person total** adjusted for health status = $\$2,914 * 95.9\%$
- **\$2,050 per person net cost** = $\$2,795 - \745 Other resources (M&M&PI)

Existing Expenditures (for 369 users excluding wrap-around and collections)

- \$3,310 per person = local IHS allowance (excludes \$ for wrap-around)
- \$154 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$3,518 per person for OU users** = $\$3,310 + \$154 + \$54$

LNF Calculation

- **125.9% Gross LNF** = $\$3,518$ (expenditures) / $\$2,795$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **171.6% Net LNF** = $\$3,518 / \$2,050$ net cost ($\$2,795 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 171.6% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

MALISEET (Houlton Band) Unmet Needs

- **\$756,568 Net Total Need** = 369 users * $\$2,050$ net cost
- **\$0 Net Unmet Need** = $(100\% - 171.6\% \text{ LNF}) * 369 \text{ users} * \$2,050$ net cost